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Japan

Solid Wood Products

Japan's Wood Furniture Imports in 1999 Down 2.9% But New Opportunities Exist for U.S. Hardwood Sales 2000

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Report Highlights:

As consumer spending remained sluggish at a historic low, Japanese furniture imports also took a beating with wood furniture imports dropping 2.9% in 1999 from the previous year. However, off-shore production in Asia of Japanese hardwood-based furniture products continued, posing new opportunities for the U.S. hardwood export industry.

Includes PSD changes: No
Includes Trade Matrix: No
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Executive Summary

Japanese furniture imports of all types of materials (e.g. steel, wood, plastic) in 1999 totaled 280,900 million yen in value (approx. US\$2.7 billion), down 4.8% from previous year as a result of depressed consumer market demand as the economy remained recessionary. This was the 2nd year of consecutive downturn in this sector with imports from Japan's neighboring Asian countries posting 3.9% year-on-year growth. Imports from Europe showed a 21.6% decline, North America dropped 21.6% and Oceania (ie. Australia, New Zealand) dropped 14.3% compared to the previous year.

Wood furniture imports, on the other hand, totaled 137,420 million Yen (approx. US\$1.3 billion) in 1999, down 2.9% from previous year. While imports from key Asian countries posted positive growth, those from Europe and the U.S. declined substantially. The U.S. share as an exporter to Japan of wood furniture products declined 29.3 % last year from 1998.

Tabulations for top 10 countries of furniture exports to Japan follow.

Top-10 Countries Exporting Furniture Products to Japan in 1999		
Imports From:	Import Value (million Yen)	% Change (1998/1999)
1) Taiwan	49,490	-6.1%
2) China	43,050	+13.2%
3) U.S.A.	37,450	-22.1%
4) Thailand	36,040	+8.8%
5) Indonesia	26,070	-4.4%
6) Malaysia	21,330	+11.4%
7) Italy	14,150	-25.4%
8) Vietnam	8,480	+18.3%
9) Korea (Republic)	6,480	-2.7%
10) Philippines	6,290	+13.9%
Others	32,070	-
Total	280,900	-4.8%

(Source: Ministry of Finance Customs Data)

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Top-10 Countries Exporting Wood Furniture Products to Japan in 1999		
Imports From:	Import Value (million Yen)	% Change (1999/1998)
1) Thailand	26,940	+9.0%
2) China	22,340	+24.2%
3) Malaysia	17,000	+14.7%
4) Indonesia	14,700	+4.3%
5) Taiwan	11,720	-11.0%
6) Italy	9,840	-22.9%
7) U.S.A.	6,490	-29.3%
8) Vietnam	5,450	+15.8%
9) Korea (Republic)	3,960	-7.9%
10) Denmark	2,700	-14.2%
Others	15,880	-
Total	137,420	-2.9%

(Source: Ministry of Finance Customs Data)

The significance of trading and developments in Japanese furniture imports for the U.S. wood export industry lies in the fact that, as currency values keep changing on the world money markets and Japan's position as a high-cost producer of manufactured products remains intact, as is the case with its wood product manufacturing sector, off-shore manufacturing of wood furniture products using principally hardwood, either temperate or tropical, for which Japan looks elsewhere for supply as raw materials, is well under way for exports to Japan in the form of manufactured product in these Asian countries. This trend is expected to continue.

This means that in order to secure a long-range comparative cost and trading advantage on Japan's increasingly "globalized" and keenly competitive furniture and building materials markets, forming a strategic alliance with business partners in Japan and/or Japanese trading partner countries, such as Thailand, China, Indonesia, Malaysia, is a worthwhile marketing option to consider for the U.S. wood industry pursuing access to the Japanese market.

End of Report.

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